



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Division Director

September 24, 2003

TO: Lowell P. Braxton, Director *mon*

THRU: Mary Ann Wright, Associate Director

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Doug Jensen, Senior Reclamation Engineer *DJ*

RE: Request for Approval of Form and Amount of Replacement Reclamation Surety, Duchesne County Road Department, Duchesne County Mine, M/047/028, Uintah County, Utah

Duchesne County Road Department has an approved large mining permit with the Division. They have a \$89,800 reclamation surety posted with the Division, issued by American Manufactures Mutual. On June 24, 2003 we received notification that American Manufacturers Mutual rating on the A.M. Best had fallen to a D rating (poor) and the company had been removed from the Federal Register.

On July 10, 2003, we sent a CRR letter to the operator informing them of this rating change and requested that they replace the surety. On September 22, 2003, we received a replacement reclamation surety bond issued by Liberty Mutual Insurance Company # , in the amount of \$89,800. Liberty Mutual has an "A" rating and is listed on the federal register of acceptable bonding companies in Utah.

Mr. Douglas Nielsen of Duchesne County Road Department sent us (via fax) an updated page 2 of the Reclamation Contract, wherein he has crossed out the old surety name and bond # and has written in the replacement bond name and #. He dated and signed this change and requested that we accept this updated page in lieu of making out an entire new Reclamation Contract (no other changes to the contract are necessary).

If you are in agreement with the acceptance of the replacement reclamation surety from Liberty Mutual, please sign and date the surety bond form. If you accept the change made to the Reclamation Contract page 2, no other signature will be required. We will then issue final Division approval of the replacement surety for the Duchesne County Mine and will return the American Manufacturers Mutual Insurance Company bond to them for their disposal or return to the surety company. Thank you for your consideration of this request.

jb

Enclosure: Surety & page 2 of MR-RC

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*Agree 9/29*  
*LJR*